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Chair: Mr. Tommo Monthe ..... (Cameroon)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

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The meeting was called to order at 10.10 a.m.

Agenda item 134: Programme budget for the biennium 2012-2013 (*continued*)

Comprehensive review of the pension schemes for the members of the International Court of Justice and judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/66/617 and A/66/709)

1. **Ms. Lopez** (Office of Human Resources Management), introducing the report of the Secretary-General on the comprehensive review of the pension schemes for the members of the International Court of Justice and judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/66/617), recalled that, by its resolution 65/258, the General Assembly had decided that the pension schemes for members of the Court and for the judges of the two Tribunals should be reviewed at its sixty-sixth session. The report of the Secretary-General provided background information on the evolution of the pension benefits over time, analysed the current retirement benefits scheme and described the implementation of the comprehensive review; it also presented various pension benefit design options and offered a final recommendation, including financial implications.

2. Pursuant to General Assembly resolution 63/259, the Secretary-General had enlisted the United Nations Joint Staff Pension Fund to undertake a comprehensive review of the retirement pensions. Given the large scope of the review, actuaries had been contracted to provide expertise not available at the Fund, and a working group made up of representatives of the Office of Human Resources Management, the Court and the Tribunals had been established and coordinated by the Fund.

3. Currently, 35 judges were serving at the Court and the two Tribunals and 61 retired judges were receiving pension benefits; ad litem judges had not been included as they were not entitled to periodic retirement benefits. Under the existing retirement benefit scheme, a retiring judge who had completed a nine-year term of office received benefits representing a replacement ratio of approximately 50 per cent of his or her final salary at age 60. The pension benefits were not pre-funded.

4. Four possible design options had been proposed in the light of the comprehensive review. The first was a defined-benefit scheme that provided a periodic benefit, guaranteed for the life of the participant. The second was a defined-contribution scheme that provided an account balance based on the actual earnings of underlying investments. The third option was to make a cash lump-sum payment in lieu of a pension through hybrid defined-benefit and defined-contribution schemes. The fourth option was to maintain the current pension benefit scheme. The first three options, which were used in the public and private sectors, were analysed in the report in the administrative context of the Court and the two Tribunals.

5. The Secretary-General recommended the defined-benefit scheme as the appropriate option for the retirement benefits of new members of the Court and judges of the two Tribunals. The most favoured application of that option would be to change the current two-tiered system of accumulation to a linear system of accumulation of 3.7 per cent per year for 18 years and nothing thereafter. That approach would significantly reduce the estimated liability for new judges projected to assume office over the next 30 years, from $29,835,105 to $19,870,180, representing a reduction of $9,964,925. Under Article 32, paragraph 5, of the Court's Statute, the salaries, allowances and compensation of the members of the Court could not be decreased during a member's term of office; it was therefore suggested that any new scheme should apply only to newly elected members of the Court. The same would apply in respect of judges of the two Tribunals, whose statutes provided for the same conditions of service.

6. The Court had expressed concerns regarding the redesign of the pension benefit scheme. In particular, it believed that the proposed linear system of accumulation would encourage members of the Court to stand for re-election, which could have adverse consequences for the rotation of the bench. The Court's additional concerns were noted in paragraph 54 of the report.

7. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/709), said that the Advisory Committee had considered the relative merits and possible disadvantages of the four pension benefit design options set out in the Secretary-General's report. For purposes of comparison, the Advisory Committee had requested information on the retirement benefits payable to other Secretariat and non-Secretariat officials and to the judges of the International Criminal Court.

8. The Advisory Committee noted the Secretary-General's recommendation of the defined-benefit scheme, which would be based on a linear rather than a two-tiered system of accumulation, as the most appropriate way forward. Should the General Assembly endorse the Secretary-General's recommendation, the estimated liability for new judges projected to assume office over the next 30 years would be reduced by some $9.96 million. In addition, changing to a linear system of accumulation would reduce the actuarial cost of funding the pension entitlement over a 10-year period from its current level of about 66 per cent of the judges' base pay to about 44 per cent.

9. Pursuant to General Assembly resolution 65/258, the Advisory Committee had considered the question of acquired pension benefit rights. According to the Secretary-General, the implementation of a pension scheme designed to take into consideration the prior employment of the members of the Court and the judges of the Tribunals could face legal and practical difficulties. However, the Advisory Committee had been informed that the proposed defined-benefit pension scheme included an adjusted accrual rate intended to reflect the possibility that the individuals concerned had had previous careers and had acquired pension benefit rights. More detailed information on the issue was contained in paragraphs 25 to 28 of the Advisory Committee's report.

10. The Advisory Committee recommended that the General Assembly should endorse the Secretary-General's recommendation for a defined-benefit pension scheme with a linear system of accumulation of 3.7 per cent for 18 years. It also supported the Secretary-General's suggestion that the new arrangements should apply only to new members of the Court and judges of the Tribunals, if any. Since the question of acquired pension benefit rights should have been addressed in more detail in the Secretary-General's report, the General Assembly might wish to request the Secretary-General to give further consideration to the issue and to report back to the Assembly at its sixty-eighth session in the context of the next comprehensive review of pension schemes.

11. **Mr. Mihoubi** (Algeria), speaking on behalf of the Group of 77 and China, said that the members of the International Court of Justice and the judges of the Tribunals should receive a compensation package commensurate with their high status and responsibilities. The Group supported the principle, enshrined in the Statute of the Court and the statutes of the Tribunals, that the judges' salaries and allowances should be fixed by the General Assembly and should not be decreased during the term of office. The Group also believed in the principle of equity between the benefits offered to the judges of the Tribunals and those offered to members of the International Court of Justice.

12. Recalling paragraph 7 of General Assembly resolution 63/259, he welcomed the Secretary-General's efforts to utilize the expertise available with the United Nations system by means of working group consultations between the United Nations Joint Staff Pension Fund, the Office of Human Resources Management, the Court and the Tribunals. Any pension scheme offered should provide adequate after-service benefits to judges having met the eligibility criteria relating to retirement age and period of service, based on the premise that the pension benefit served as replacement income to maintain a standard of living.

13. The Group stood ready to discuss the various pension benefit design options, bearing in mind the need to respect the Statute of the Court and the statutes of the Tribunals and to provide a pension scheme that remained non-contributory, was determined by the number of years of service and supported the rigorous standards, impartiality and independence required during the judges' tenure. Any outcome should enhance the performance of the Court and its judges instead of undermining it through a decrease in pension benefits. Lastly, he emphasized that the outcome of the discussions on the pension scheme for the members of the Court and the judges of the Tribunals would not constitute a precedent for any other category of judges working within the United Nations system.

Conclusions of the High-level Working Group on Programme Criticality (A/66/680 and A/66/720)

14. **Mr. Starr** (Under-Secretary-General for Safety and Security), introducing the report of the Secretary-General on the conclusions of the High-level Working Group on Programme Criticality (A/66/680), said that the report had been prepared pursuant to General Assembly resolution 65/259. In 2009, the Chief Executives Board for Coordination had embraced an approach to security that sought to balance security risks with programme implementation, on the premise that security efforts should facilitate the conduct of United Nations activities. That required a systematic

approach to determining programme opportunities, particularly for high-risk activities.

15. Over the years, the United Nations had been accused both of being too risk-averse and of placing personnel at unnecessary risk. In response to those concerns, and recognizing that the Organization was required to deliver results under difficult security conditions, the High-level Working Group on Programme Criticality had developed tools to better balance security risk and opportunity by ensuring that United Nations personnel did not take unnecessary risks and that those who remained in-country focused on the highest-priority activities.

16. The tools consisted of a programme criticality framework and methodology that had been developed under the leadership of the United Nations Children's Fund (UNICEF) through extensive consultations with a broad spectrum of staff of the Secretariat and United Nations agencies, funds and programmes. While the Department of Safety and Security had been involved in the process, implementation of the tools was intended to be a programme-led effort carried out at the country level by the collective United Nations presence on the ground.

17. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/720), noted that the Secretary-General's report was an interim update on the Working Group's activities and did not contain its final conclusions, which had not yet been issued.

18. Since its establishment, the Working Group had developed a programme criticality framework, which consisted of a methodology and a supporting electronic tool for decision-making, and had proposed an implementation plan. The methodology and tool had been field-tested by United Nations country teams in the Democratic Republic of the Congo, Kenya and Somalia.

19. In September 2011, the High-level Committee on Management had approved the programme criticality methodology and tool as a framework for decision-making within the guidelines for acceptable risk and had recommended that it should be rolled out in at least 12 countries by April 2013. The indicative budget for phase one of the roll-out, including training, was estimated at $595,500. The Advisory Committee had been informed that, for reasons of efficiency and timeliness, those requirements would be met from extrabudgetary funds. Pending the receipt of voluntary contributions, the humanitarian agencies and the Department of Safety and Security had each agreed to contribute $10,000 to initiate the roll-out.

20. Since work on the programme criticality framework was still at an interim stage, the Advisory Committee had no objection to the use of extrabudgetary resources to fund the initial 12-country roll-out. However, in situations where lives could be at risk, the United Nations had an obligation to ensure that predictable funding would be available for ongoing initiatives designed to protect personnel. The Advisory Committee therefore recommended that, once the framework was finalized, consideration should be given to establishing appropriate cost-sharing arrangements for a full roll-out that reflected the system-wide nature of the initiative and were similar to those used in respect of other jointly financed activities in the United Nations system.

21. He recommended that the General Assembly should take note of the report of the Secretary-General, bearing in mind the comments and recommendations of the Advisory Committee, and on the understanding that an additional report containing the final conclusions of the Working Group would be submitted once the Group had reported to the High-level Committee on Management in 2013.

22. **Mr. Mihoubi** (Algeria), speaking on behalf of the Group of 77 and China, said that the safety and security of United Nations staff, operations and premises at Headquarters and all main duty stations and in the field was of critical importance. The Group would continue to support measures for ensuring a coherent, effective, accountable and timely response to security-related threats and other emergencies. Developing a comprehensive and integrated approach to the issue of safety and security was a matter of priority.

23. Recalling the principle that the primary responsibility for ensuring the safety and security of United Nations staff and premises rested with the host countries, he stressed that provisions for safety and security could not succeed unless Member States were duly consulted. Standards had been established for other major activities of the United Nations but were still lacking in the field of safety and security. It was therefore imperative to establish clear criteria for determining security needs, evaluating threats and assessing risks in different locations and areas of

activity so as to enable the Department of Safety and Security to respond to any emergency.

24. The Group was concerned that the Secretary-General had not yet reported on the development of a comprehensive safety and security policy framework at the United Nations that would provide guidelines for threat and risk assessment, cooperation with host countries, cost-sharing arrangements and operations of the Department of Safety and Security, as requested by the General Assembly in its resolution 61/263. The Group would welcome some clarification in that regard and would also be requesting additional details concerning the phases, benchmarks and timelines of the programme criticality framework and the programme criticality levels of specific activities, including lines of accountability and a clear chain of command for all staff involved in security in the field and at duty stations.

25. **Mr. Starr** (Under-Secretary-General for Safety and Security) said that the requested report would be provided and that the comments made by the representative of Algeria on behalf of the Group of 77 and China would be addressed during the informal consultations.

The meeting rose at 10.50 a.m.